17th June 2014

The Manager
Company Announcements
Australian Securities Exchange Limited

Addendum to South Johnstone Bauxite announcement released on Thursday 12th June 2014.

Following the release of Queensland Bauxite Limited's announcement on Thursday 12th June 2014, the Company is pleased to provide additional detailed information from the South Johnstone Bauxite Project results in accordance with ASX Listing Rules and the JORC Code 2012.

Yours Sincerely

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Queensland Bauxite Limited

Inferred Mineral Resource

The Company provides an addendum to the South Johnstone Inferred Resource announcement in accordance with ASX Listing rules 5.8.1 and 5.8.2 and with Clause 20 and 21 of the JORC Code 2012.

Queensland Bauxite has announced, based on its initial 60 hole drilling program at South Johnstone (Figure 1), a JORC Inferred Resource of 30 million tonnes of bauxite, lying within a larger exploration target discussed below. The average grade of the bauxite at low temperature leaching is 25.2% available alumina (range from 20% cutoff to 31.7%) and 6.9% reactive silica (range from 1.9% to 10% cutoff). The available alumina is expected to rise through beneficiation and high temperature testing. These alumina results are anticipated to be comparable to bauxite grades in the Darling Ranges. (See JORC Table 1)

The parameters used to calculate the Inferred Resource are shown in the following table:

South Johnstone Inferred Resource tonnage calculation based on 26 drill holes analysed					
Domain	Holes within Domains	Area	Thickness	Volume	Tonnage
		(km2)	m	m3	tonnes
Area A	SJAC 14	1.161	0.5	580,500	1,102,950
Area B	SJAC 41,42	1.628	2	3,256,000	5,860,800
Area C	SJAC 006	0.269	3	807,600	1,453,680
Area D	SJAC 05,23, 26,35,36,37	2.087	1.5	3,130,500	5,634,900
Area E	SJAC 47	0.280	2	559,200	1,006,560
Area F	SJAC 045	0.087	2	174,480	314,064
Area G	SJAC 21, 43	0.614	1.5	921,150	1,658,070
Area H	SJAC 2, 3, 48	0.393	2.3	903,440	1,626,192
Area I	SJAC 52	1.838	3	5,514,000	9,925,200
Area J	SJAC 4, 19	0.674	1.5	1,010,400	1,818,720
Area K	SJAC 54	0.196	1	195,800	352,440
TOTAL		9.226		17,053,070	30,753,576

The Company considers that there are reasonable prospects of the eventual economic extraction of this resource based on the following assumptions:

1. The bauxite deposit is located close to port. Bauxite would only need to be transported a short distance (<20 km) east to Mourilyan Harbour, so that transport costs will be on the lowest end of those experienced by commercial bauxite mining operations.
2. The bauxite deposit is located at surface and it is assumed that mining at South Johnstone will be via simple open cut quarrying operations – top soil stripping ahead of a progressing mining face with progressive

rehabilitation and return to agricultural use behind. Ore will be trucked to nearby rail heads or driven directly the short distance to Mourilyan Harbour as a direct shipping ore (DSO) product. Mining costs would therefore also expect to be reasonably low.

3. No environmental studies have been conducted at present, and it is assumed that no difficulties will be encountered. The resource lies outside the National Park boundaries and the land has already been largely cleared of native vegetation. The land is currently being used for large and small acreage agricultural activities (principally sugar cane and bananas)
4. It is assumed by the Company that a mining licence would be granted by government for an open cut extraction operation.
5. It is being assumed that no unforeseen environmental difficulties, landholder, native title, or other issues will impact on the mining and processing operation. Some uncertainty still exists here as no studies have commenced on these aspects at the present time.
6. It is assumed that the Company will expand on this resource in the future through its continued exploration of the weathered surface of the Atherton Basalt. This is based on the assumption that approximately a third of any further drilling on the Atherton Basalt will be successful (based on the current 60-hole program). Calculations for a conceptual exploration target are discussed in our exploration target statement.

Cut-off Assumptions

The cut-off assumptions are based on 40.5 metres of bauxite of average grade 25.2% available alumina and 6.9% reactive silica drilled in 22 holes. A cut-off grade of 20% available alumina and 10% reactive silica was chosen to generate this thickness and average grade. Based on work presented by other bauxite companies, it is expected that average grades (post-beneficiation) will lie within the alumina grade range of bauxite mined on a commercial scale in the Darling Range (i.e. around 27-30% Al2O3) which currently accounts for 23% of global alumina production;
http://www.ga.gov.au/products-services/publications/aimr/bauxite.html).

Extrapolation Assumptions

The resource is currently extrapolated out to the edge (break in slope) of the topographic feature on which the drill holes are sited, a distance of up to 1,500 metres beyond sample points as shown in the drill hole cross sections (Figure 2) and in the interpreted resource areas (Figures 3 to 6). We have chosen not to use a simple distance based assumption with regards to this resource, because of the flat lying nature of the geology and its' clearly identifiable surface expression which gives a high level of confidence with regards to extrapolating the size and nature of the resource.

If we just use a simple distance continuity model of a radius of 200m around each borehole or group of boreholes within that confidence radius, the area is calculated as 2.3 km2. However, we believe this method not to be the most appropriate method of calculating a visible surface bauxite resource due to our confidence of in the geological continuity of the deposit based upon our field and mapping observations. The principal assumption used in calculating the surface area of the Resource, and one in which we have a high level of confidence, is that that the geology and mineralisation are continuous between those boreholes containing bauxite in un-dissected terrain at the same general elevation. The possible uncertainty here is in the assumption that the mineralisation of appropriate grade is indeed continuous between boreholes and to the edges of the landform feature, although we have a strong basis to believe this to be the case based on the mapping, sampling and clear results to date.

Confidence to do this extrapolation is based on the extremely simple geometry of the geologic model for the mineral deposit- a flat-lying visible weathering horizon at surface varying between 0.5 and 3 m thick with no overburden.

Based on these extrapolation assumptions, the total area of the interpreted resource is 9.2 km2, giving a volume of 17,053,000 m3 and a tonnage of 30.7mt (assuming a density of 1.8). On this basis, as shown as the hatched areas in Figures 3 to 6, the extrapolated part is 76% of the total estimated Resource.

Geology/geomorphology is vital in guiding the extrapolation in this mineral resource estimation. Topographically high features, interpreted to be part of the original flat lava surface, such as plateaus, ridge tops etc., were drilled. On any such feature, where bauxite was recovered in between 1 and 5 holes and where surface landform features appear consistent (smooth, flat), the interpretation of the edge of bauxite mineralisation was carried out to the edge (break in slope) of the topographic feature, a distance varying between 100 m and 1500 m.

Geology and Geological Interpretation

The South Johnstone Project is a prospective bauxite project.

Bauxite mineralisation occurs at surface in a weathering profile that is known from the drilling to extend from 0m to a depth of about 3m. It is found as a continuous blanket overlying flat-lying basalt flows of the Atherton Province within EPM18463. The deposit formed by weathering of the basalt surfaces with resultant leaching of silica downwards and concentration of alumina towards the surface of the profile. It is not clear how much of the material is in-situ or if some transportation has been involved, However in at least a third of the holes, a gradual decline in alumina and increase in silica with depth is noted in the first few metres indicating an in-situ profile (see Figure 2).

Drilling to date indicates there is no overburden.

The cconfidence in the geological interpretation of the mineral deposit is reasonable because of its simple geometry - a flat-lying visible or gently undulating weathering horizon at surface.

Comparisons between bauxite thickness and grade have been made in drill holes 1m, 100m and 200m apart to test the assumption of continuity of the mineralized body and these show good consistency Available alumina grades vary up to 6% and reactive silica up to 2.2% about the average of the holes being compared.

Continuity of the mineral deposit is not assumed where the terrain has been dissected by younger drainages. In this case it is assumed that the bauxite has been eroded away, although this needs to be tested by drilling as there may be secondary deposits of transported bauxite in these areas.

Sampling and Sub-sampling Techniques

Air core drilling of vertical holes to an average depth of 7.5 m was carried out to recover 0.5 m sample lengths downhole (holes SJAC 001 to 015) and 1 m sample lengths (holes SJAC 016 to 060). Holes were plugged (using an octoplug) at a depth of 1m and backfilled. Pulverized material from air core, was collected by cyclone, dry (or damp), in a calico bag. The entire drilled sample interval was collected to assure an appropriate sample size. Each bagged sample weighed approx. 2 to 3 kg. All samples were analysed by hand held XRF analyser (Innov-X) in the field (calibrated to bauxite standards (GBAP3 & GBAP7) of known composition) to provide semi-quantitative element oxides. A selection of samples were sent for assay by ALS Minerals (Table 2).

Bagged samples were not subsampled. Samples were prepared by ALS to industry standards according to the techniques described above in sampling techniques. The material was friable and the grain size fine, so no sampling bias is anticipated.

Drilling Techniques

Air core drilling was carried out to industry standard using an Underdale Proline aircore drill rig. Vertical holes were drilled to an average depth of 7.5 m. Holes were plugged at a depth of 1m and backfilled. Pulverized material from air core, was collected by cyclone, dry or damp, in a labelled calico bag.

Classification Criteria

Because of the preliminary nature of the exploration (60 holes drilled into a sound geological model with encouraging results in one third of those holes) plus only a preliminary understanding of the Modifying Factors of the Mineral Resource that will come into play in planning for a simple open pit quarrying and DSO operation (mining, metallurgical, infrastructure, economic, marketing, legal, environment, social and government), the Mineral Resource must be classified into the lowest category of JORC Inferred at this early stage.
This is the competent person's opinion of the deposit based on work to date.

Sample Analysis Method

In the ALS laboratory. samples were riffle split and 1000g pulverized to 85% < 75 micron then analysed for available alumina (according to process Al-LICP01) and reactive silica (Si-LIP01) using an ICP-AES instrument (Leach conditions – 1g leached in 10ml of 90gpl NaOH at 143 degrees for 30 minutes).

Estimation Methodology

For this preliminary estimation exercise, it was considered appropriate to assume continuity of the mineralisation (where discovered on any particular remnant plateau or ridge top landform) to the edge of that topographic feature. Eleven areas (A to J) were identified as outlined on Figure 1 and in detail on Figures 3, 4, 5 & 6.
Volume calculation was made using the surface area of bauxite mineralisation (as indicated by the drilling and topographic constraints) multiplied by bauxite thickness of each block (averaged from the drilling in each block) for volume.
Previous estimates of a mineral deposit size of 43 mt at South Johnstone were made by Carpentaria Exploration Company (CEC) as reported above, and even though 2 of their holes (H14 and H13) were twinned by Queensland Bauxite (SJAC 001, 002 and 048), the fact that data exist for only a few of the CEC holes, and that only total alumina was reported with no silica analyses made, render these results unsuitable for inclusion in this analysis. They can act as a guide however, with Queensland Bauxite now anticipating finding bauxite in the vicinity of CEC holes H9, 10, 11 and 12 when exploration commences in that area.
Cutoff grade and average grade were determined as discussed below to determine the largest tonnage of lowest possible economic grade.

Cut-off Grades

A bauxite cut-off grade was used. Samples with under 20% available Al2O3 or more than 10% reactive SiO2 were not included. The average grade calculation was based on 51 samples (a total true thickness of 40.5m bauxite drilled). This cutoff grade allows an average of 25.2% which is expected (post-beneficiation) to lie within the alumina grade range of bauxite mined on a commercial scale.

Mining and Metallurgical Factors

It is assumed that mining at South Johnstone will be via simple open cut quarrying operations – top soil stripping ahead of a progressing mining face with progressive rehabilitation and return to agricultural use behind. Ore will be trucked to nearby rail heads and transported by rail the short distance to Mourilyan Harbour as a direct shipping ore (DSO) product.

Available alumina and reactive silica results obtained from ALS's low temperature alkali leach techniques simulate conditions found in a bauxite refinery.
No other metallurgical treatment studies, such as beneficiation studies and high temperature leach trials, have been conducted on the bauxite at this stage, although an improvement in grade is expected based on trials conducted by other companies.

Exploration Target Statement

An exploration target of 300 million tonnes in the South Johnstone area was announced by Queensland Bauxite Limited on Thursday 12th June 2014. The estimated tonnage range of this target is 193mt to 405mt at an estimated average grade of 25.2% available alumina (range 20% cutoff to 31.7%) and 6.9% reactive silica (range 1.9% to 10% cutoff). It must be noted that the potential quality and grade of the company's exploration target is conceptual in nature, that there has been insufficient information to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a mineral resource.

The parameters used to make the target calculations are based on the company's 60-hole drilling program and the analytical results which defined the Inferred Resource of 30 million tonnes (discussed above) that lies within a smaller area of the exploration target area as shown in Figure 1. The target calculations are shown in the following tables.

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SOUTH JOHNSTONE EXPLORATION TARGET PARAMETERS							
Case	Area	Success Rate	Prospective Area	Thickness	Volume	Density	Tonnage
	km2	percent	km2	m	million m3	dry wt/m3	m tonnes
MIN	252.61	37%	93	1.3	120	1.6	193
AVERAGE	252.61	37%	93	1.8	167	1.8	300
MAX	252.61	37%	93	2.3	213	1.9	405

SOUTH JOHNSTONE EXPLORATION GRADE PARAMETERS		
(Based on 60-hole program)	%Al2O3	%SiO2
Average Grade	25.2	6.9
Top of Range	31.7	1.9
Cut-off Grade	20	10

This is a conceptual exploration target based on knowledge that bauxite mineralisation has developed as a thin surface layer on the Atherton Basalt lava flows as demonstrated by Company's 60-hole drilling program.

The model parameters were determined as follows:

1. The area on which bauxite mineralisation is known to develop as a weathering horizon (the Atherton Basalt) has an area of 192 km2 within EPM 18463.
2. It is assumed that approximately a third of the holes drilled into the Atherton Basalt target will be successful based on the Company's 60-hole program of which 22 were successful. This gives a discount factor of 37% which must be applied to the area of the Atherton Basalt within EPM 18463.
3. The bauxite resource drilled by the company has an average thickness of 1.8 m based on the 60-hole drilling program and it is also assumed that it may vary from the average by about 0.5m giving a range of 1.3 to 2.3m. This assumption has been extrapolated over the total area of the Atherton Basalt to calculate the exploration target.
4. Bauxite density is conservatively assumed to be around 1.8 within a range of 1.6 to 1.9. This is reasonable range based on work carried out by other companies.
5. The average grade calculation was based on 76 samples drilled and analysed giving 25.2% available Al2O3 and 6.9% reactive SiO2 within a range of values from the cut-off grade of 20% available Al2O3 and 10% reactive SiO2 and the maximum value encountered in the drilling to date of 31.7% available Al2O3 and 1.9% reactive SiO2.

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Proposed Exploration

The following exploration is proposed to test the validity of the exploration target and these activities are expected to be completed within the 2014 field season

1. A low-cost shallow auger drilling program on an initial grid of 400 sq. m within the 250 sq. km Atherton Basalt target area is proposed to define the surface extent and continuity of the bauxite mineralisation within this area. Approximately 1600 holes will be drilled into the weathered blanket overlying the Atherton Basalt to an initial depth of 2 to 3 meters with samples collected at 0.5 metre intervals.
2. Samples will be geologically logged, photographed and analysed with a hand-held XRF analyser. Samples showing elevated total alumina and lower total silica (i.e. prospective bauxites) will be sent to ALS, Brisbane for low temperature leach testing.

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Queensland Bauxite Limited

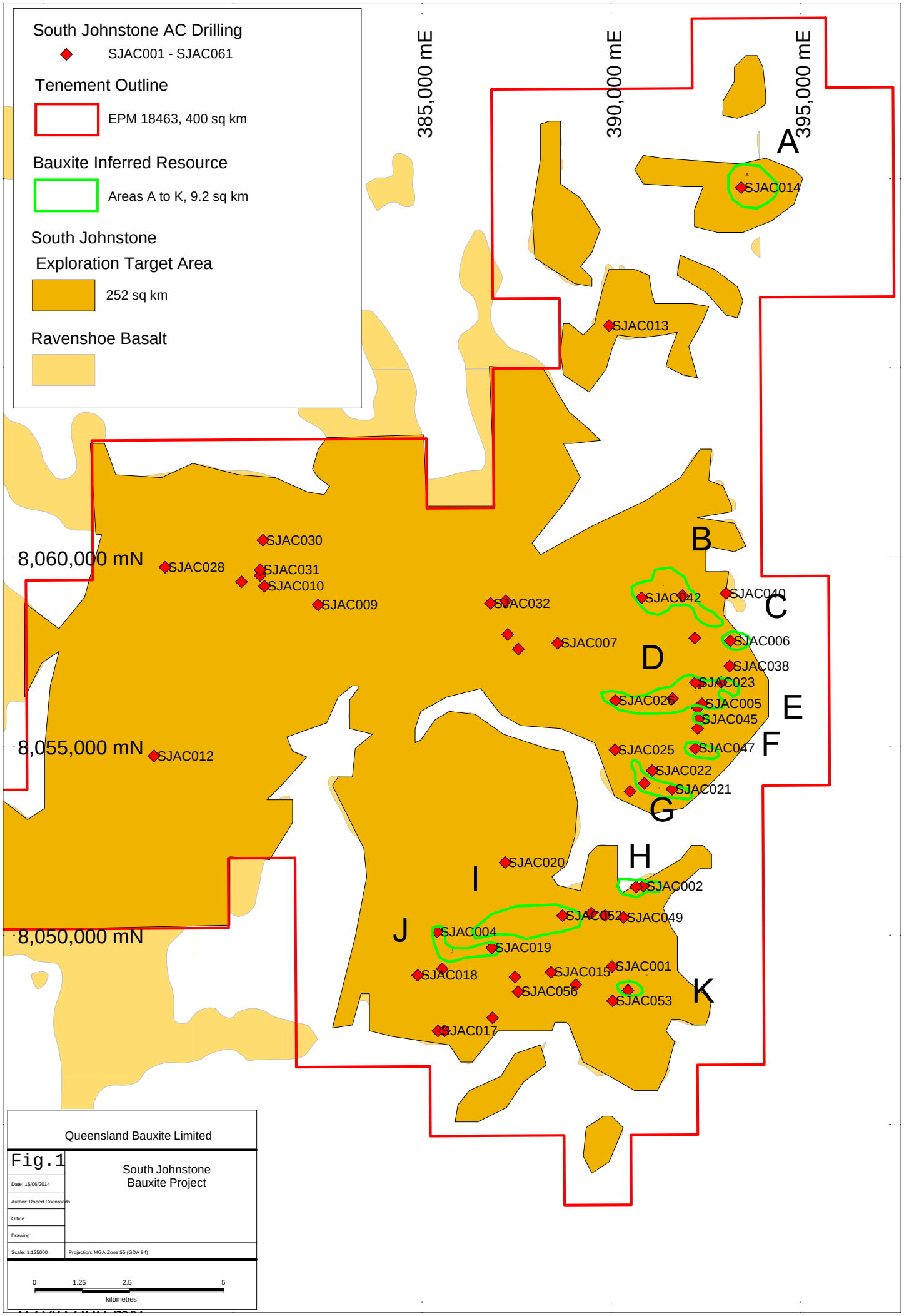
Competent Persons Statement

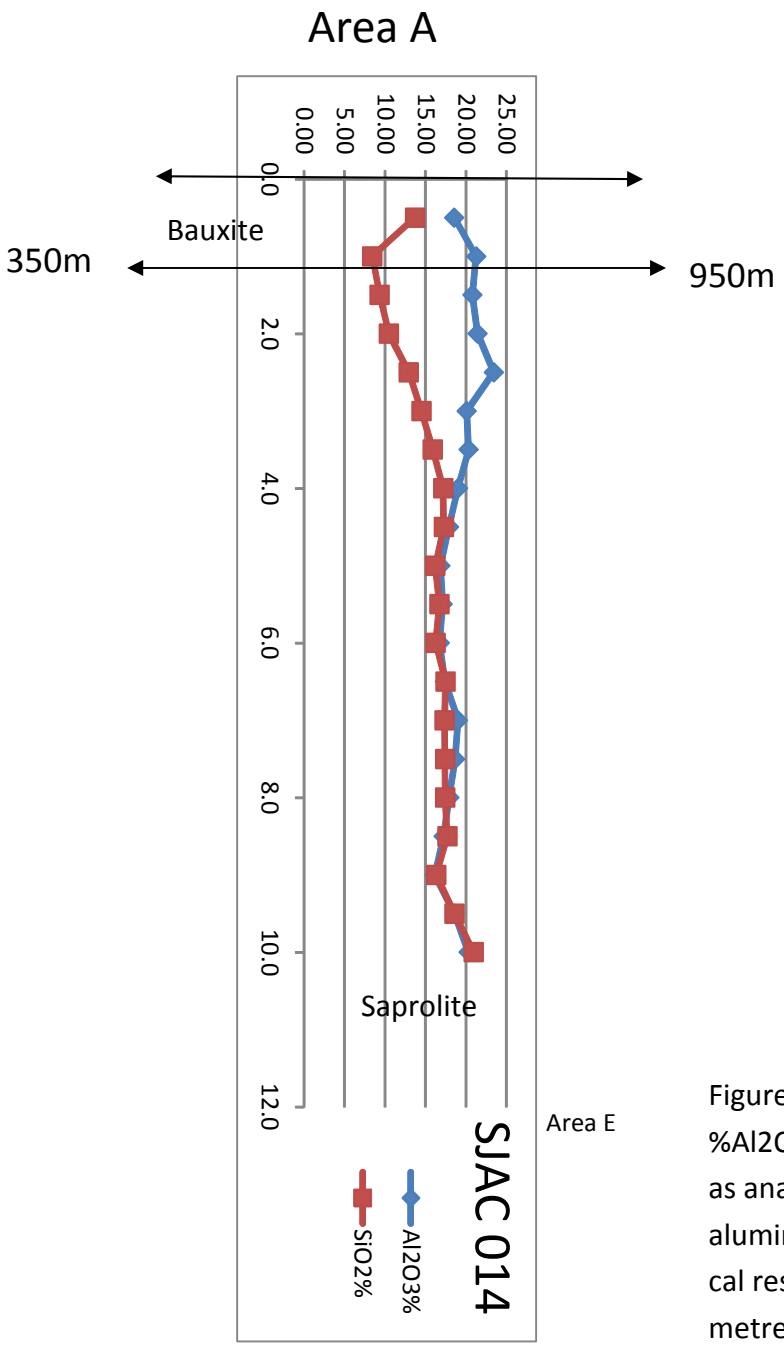
The information in this report that relates to exploration results, exploration target and estimate of mineral resources are based on, and fairly represent, information and supporting documentation prepared by Dr Robert Coenraads (BA Hons, MSc, PhD). Dr Coenraads is a fellow of the Australasian Institute of Mining and Metallurgy.

Dr Coenraads contracts services to QBL.

Dr Coenraads has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking and to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code.

Dr Coenraads consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.


South Johnstone AC Drilling
SJAC001 - SJAC061
Tenement Outline
EPM 18463, 400 sq km
Bauxite Inferred Resource
Areas A to K, 9.2 sq km
South Johnstone
Exploration Target Area
252 sq km
Ravenshoe Basalt
385,000 mE
390,000 mE
395,000 mE
8,060,000 mN
8,055,000 mN
8,050,000 mN
A
B
C
D
E
F
G
H
I
J
K
SJAC014
SJAC013
SJAC030
SJAC028
SJAC031
SJAC010
SJAC009
SJAC032
SJAC042
SJAC040
SJAC007
SJAC006
SJAC038
SJAC023
SJAC026
SJAC005
SJAC045
SJAC012
SJAC025
SJAC047
SJAC022
SJAC021
SJAC020
SJAC002
SJAC052
SJAC049
SJAC004
SJAC019
SJAC018
SJAC015
SJAC001
SJAC056
SJAC053
SJAC017
Queensland Bauxite Limited
Fig.1
South Johnstone
Bauxite Project
Date: 15/06/2014
Author: Robert Coenraads
Office:
Drawing:
Scale: 1:125000
Projection: MGA Zone 55 (GDA 94)
0
1.25
2.5
5
kilometres



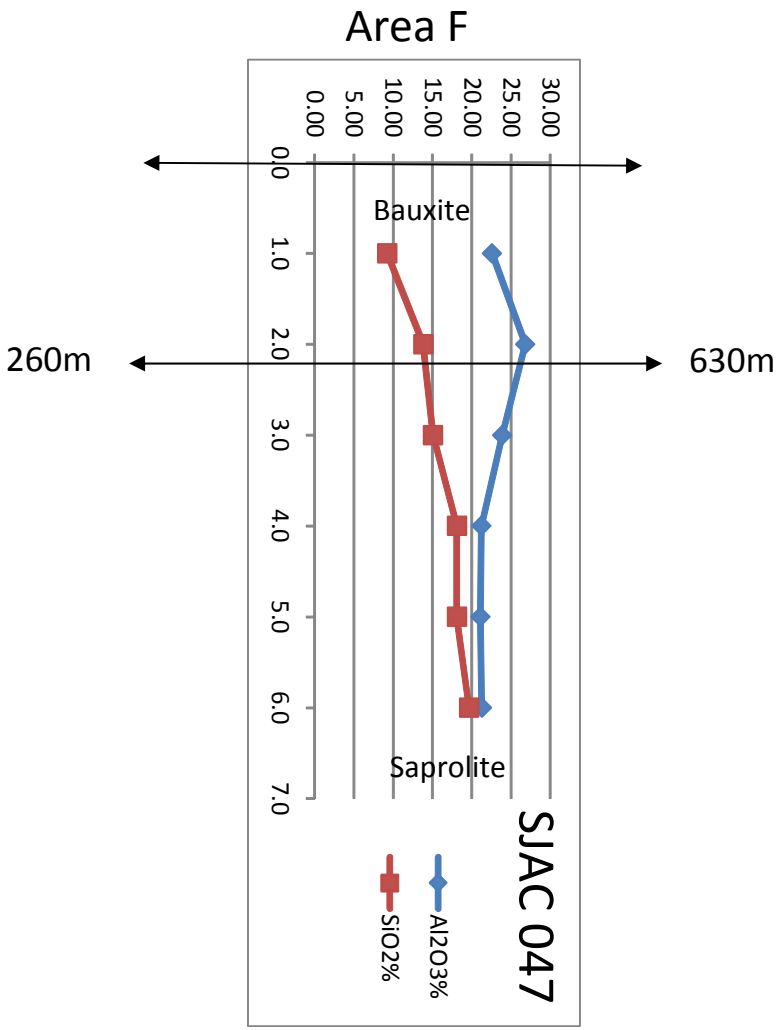


Figure 2a. South Johnstone Drill Hole Cross Sections (Areas A & F). The graphs show total %Al2O3 and %Sio2 in air core drill samples recovered at 0.5m or 1m intervals downhole as analysed with the hand-held XRF. These graphs indicate a near surface enrichment of alumina and depletion of silica. The bauxite horizon is marked based on the ALS analytical results for available alumina and reactive silica. The numbers indicate the distance in metres that the mineralization has been extrapolated either side of the hole.

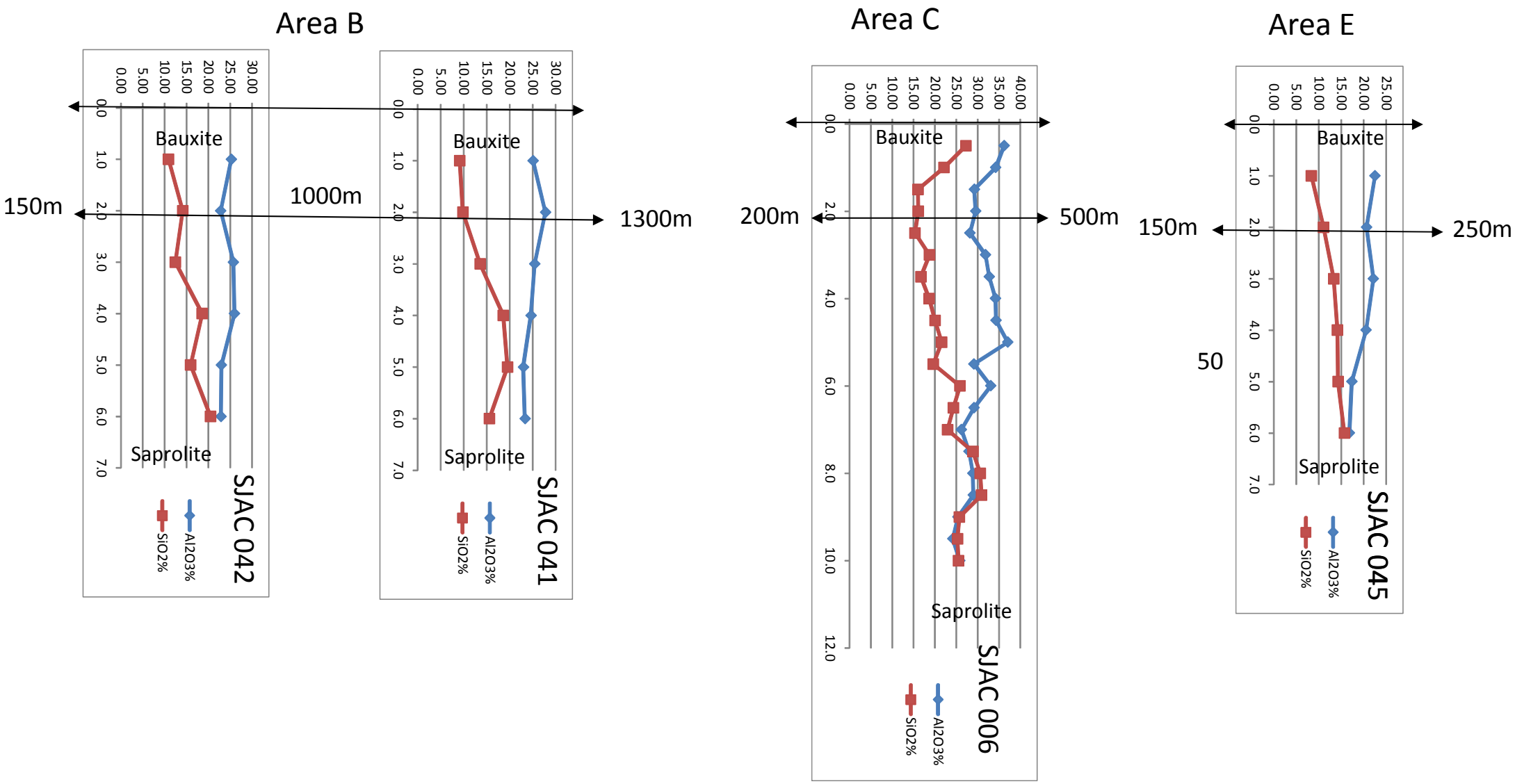


Figure 2b. South Johnstone Drill Hole Cross Sections (Areas B, C & E). The graphs show total %Al2O3 and %Sio2 in air core drill samples recovered at 0.5m or 1m intervals downhole as analysed with the hand-held XRF. These graphs indicate a near surface enrichment of alumina and depletion of silica. The bauxite horizon is marked based on the ALS analytical results for available alumina and reactive silica. The numbers indicate the distance in metres that the mineralization has been extrapolated either side of the hole and between holes.

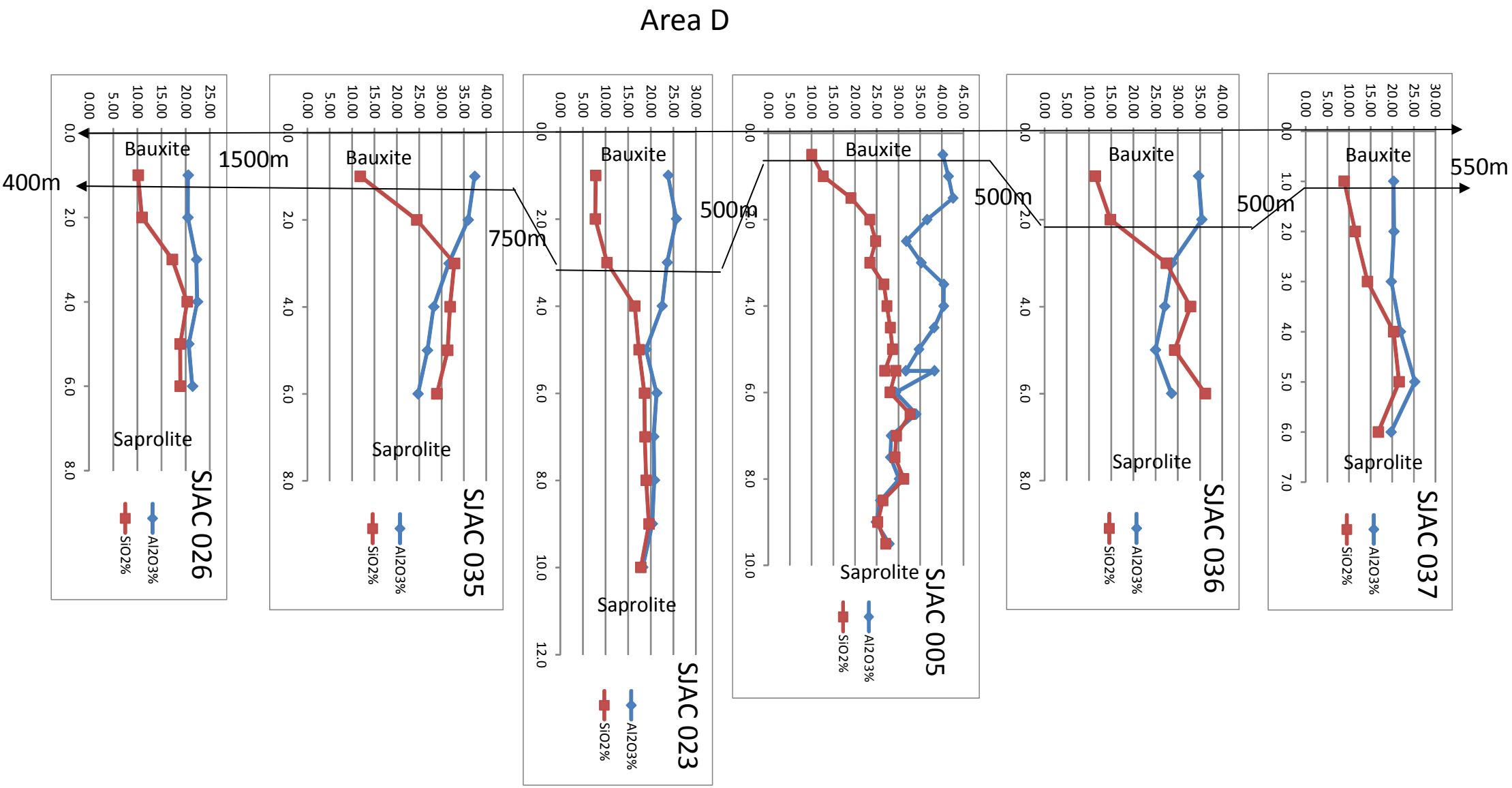


Figure 2c. South Johnstone Drill Hole Cross Sections (Area D). The graphs show total %Al2O3 and %Sio2 in air core drill samples recovered at 0.5m or 1m intervals downhole as analysed with the hand-held XRF. These graphs indicate a near surface enrichment of alumina and depletion of silica. The bauxite horizon is marked based on the ALS analytical results for available alumina and reactive silica. The numbers indicate the distance in metres that the mineralization has been extrapolated either side of the hole and between holes.

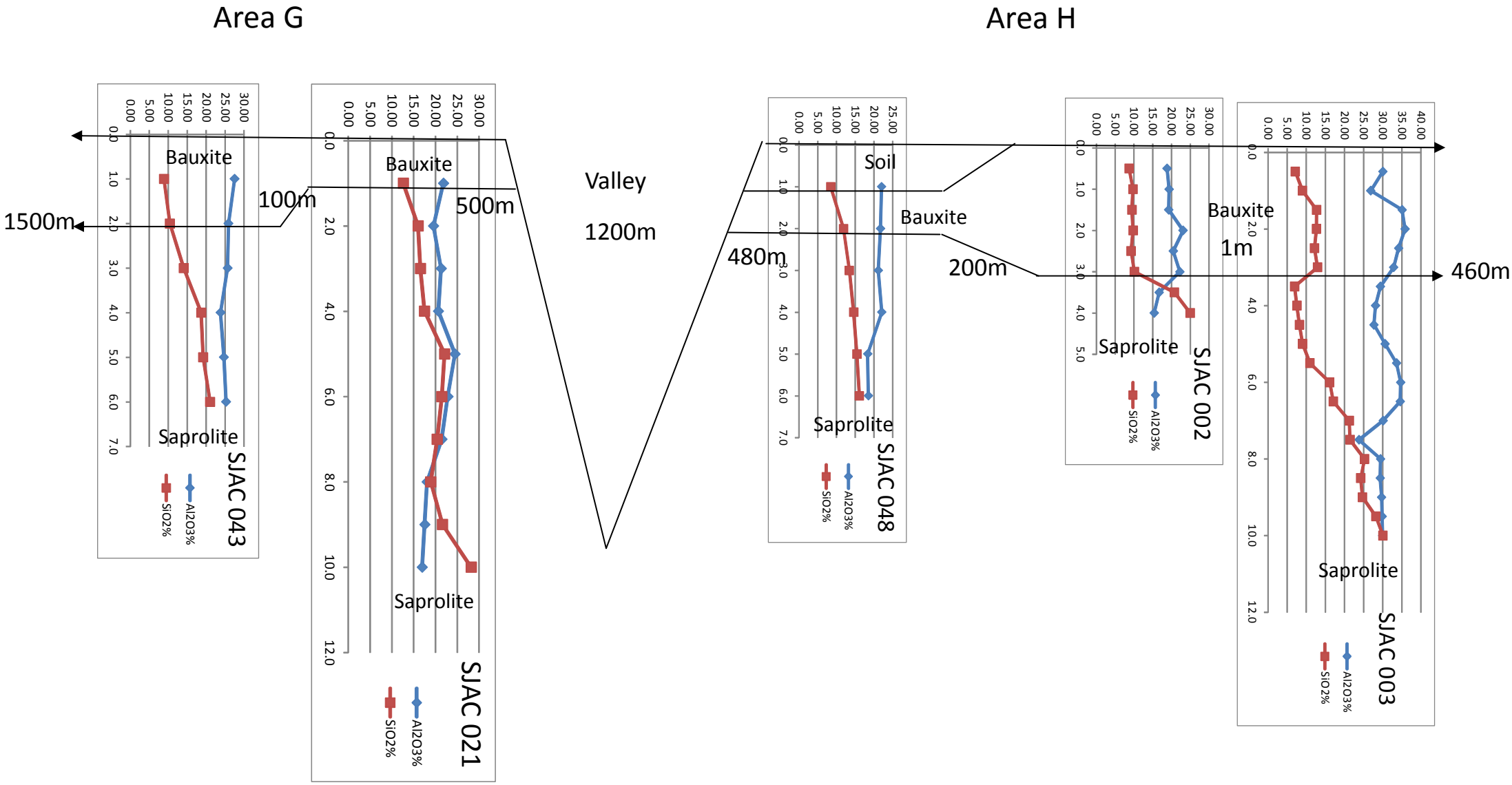


Figure 2d. South Johnstone Drill Hole Cross Sections (Areas G & H). The graphs show total %Al2O3 and %Sio2 in air core drill samples recovered at 0.5m or 1m intervals downhole as analysed with the hand-held XRF. These graphs indicate a near surface enrichment of alumina and depletion of silica. The bauxite horizon is marked based on the ALS analytical results for available alumina and reactive silica. The numbers indicate the distance in metres that the mineralization has been extrapolated either side of the hole and between holes. A valley cuts the bauxite profile between areas G and H.

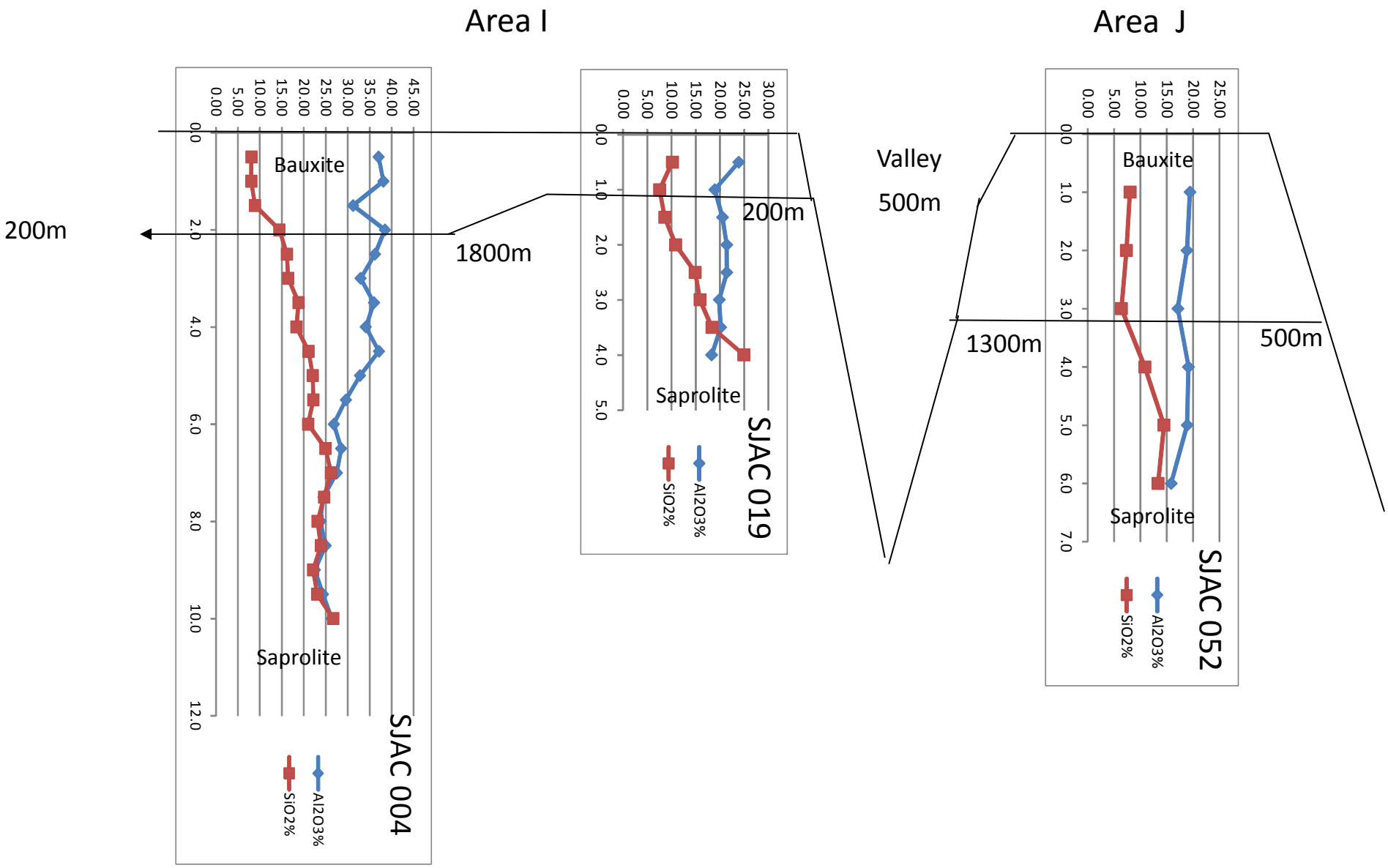
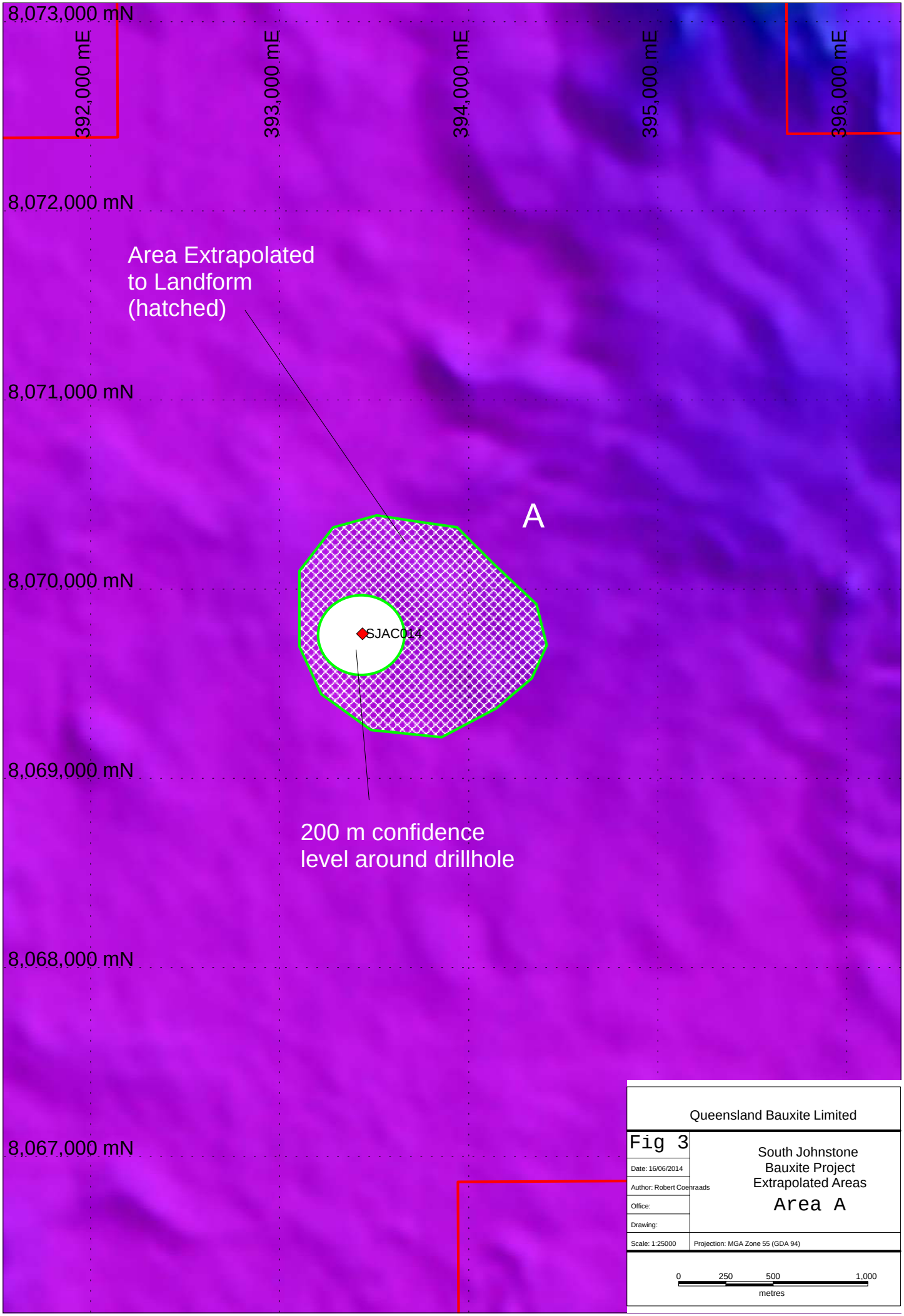


Figure 2. South Johnstone Drill Hole Cross Sections (Areas I & J)). The graphs show total %Al2O3 and %Sio2 in air core drill samples recovered at 0.5m or 1m intervals downhole as analysed with the hand-held XRF. These graphs indicate a near surface enrichment of alumina and depletion of silica. The bauxite horizon is marked based on the ALS analytical results for available alumina and reactive silica. The numbers indicate the distance in metres that the mineralization has been extrapolated either side of the hole and between holes. A valley cuts the bauxite profile between areas I and J.



Queensland Bauxite Limited

Fig 3

South Johnstone
Bauxite Project
Extrapolated Areas
Area A

Date: 16/06/2014

Author: Robert Coenraads

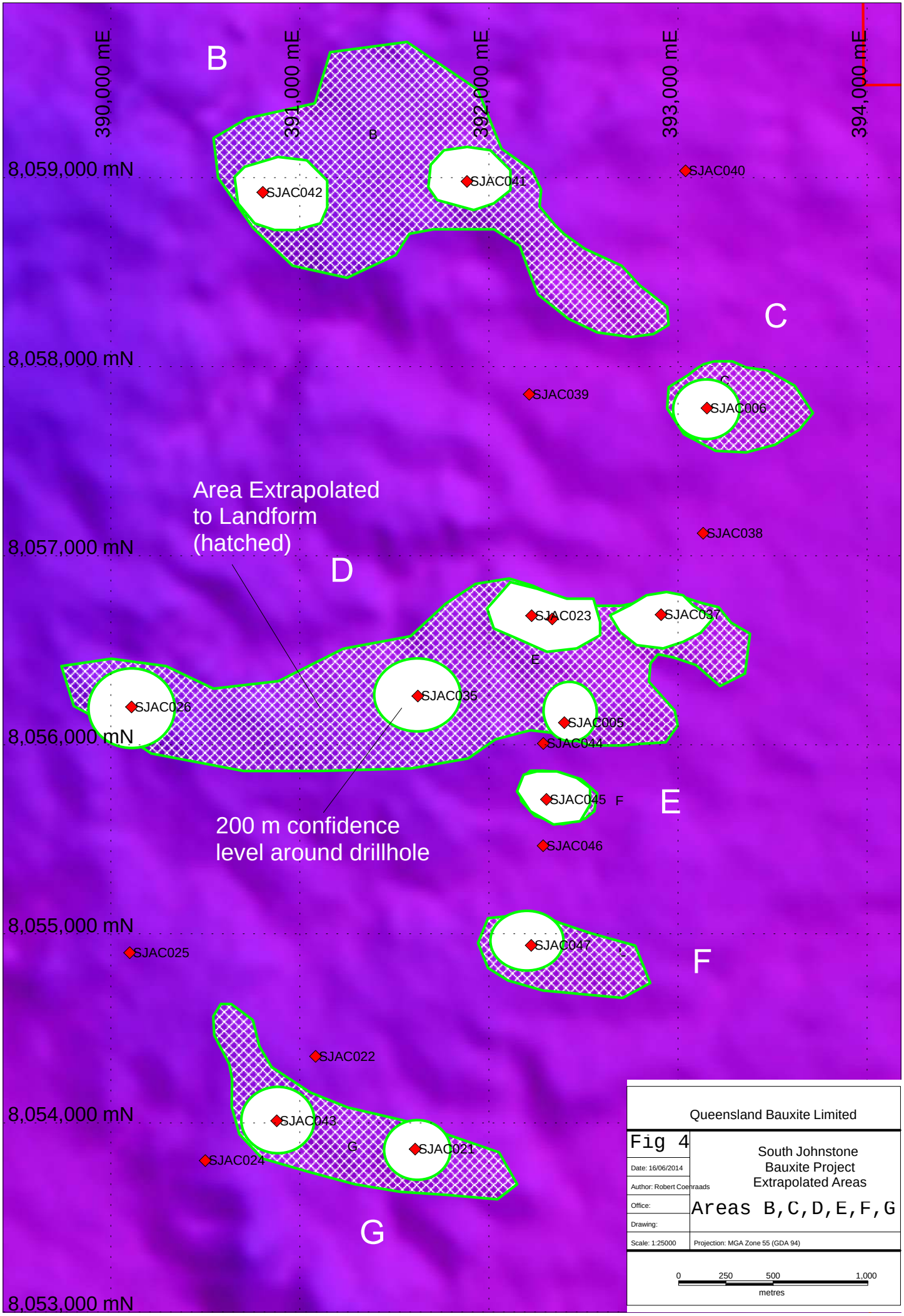
Office:

Drawing:

Scale: 1:25000

Projection: MGA Zone 55 (GDA 94)

0 250 500 1,000
metres


390,000 mE
391,000 mE
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394,000 mE
8,059,000 mN
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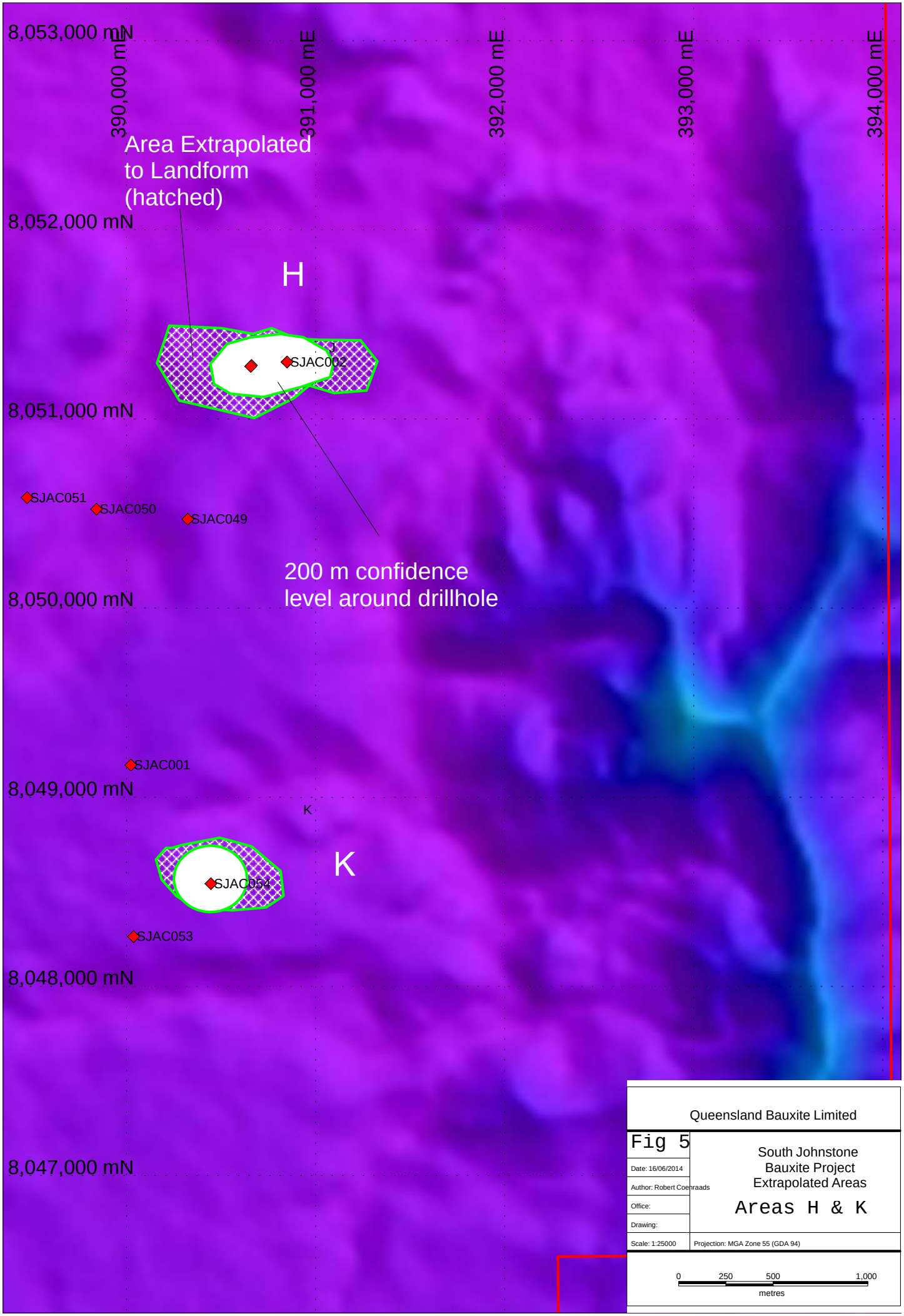
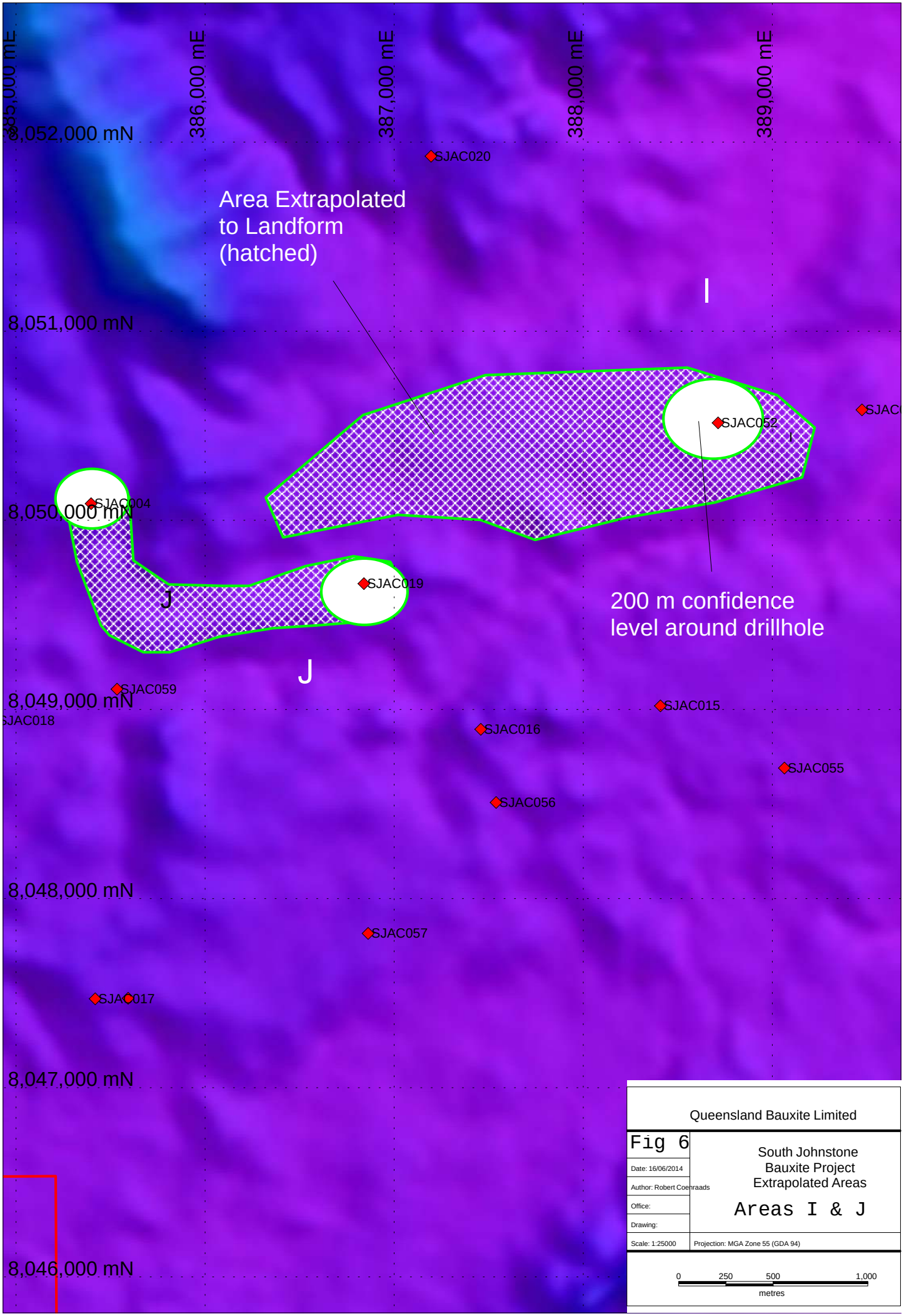
8,056,000 mN
8,055,000 mN
8,054,000 mN
8,053,000 mN
B
C
D
E
F
G
SJAC040
SJAC042
SJAC041
SJAC039
SJAC006
SJAC038
SJAC023
SJAC037
SJAC026
SJAC035
SJAC005
SJAC044
SJAC045
SJAC046
SJAC025
SJAC047
SJAC022
SJAC043
SJAC024
SJAC021
Area Extrapolated to Landform (hatched)
200 m confidence level around drillhole
Queensland Bauxite Limited
Fig 4
South Johnstone Bauxite Project
Extrapolated Areas
Areas B,C,D,E,F,G
Date: 16/06/2014
Author: Robert Coenraads
Office:
Drawing:
Scale: 1:25000
Projection: MGA Zone 55 (GDA 94)
0
250
500
1,000
metres


8,053,000 mN
390,000 mE
391,000 mE
392,000 mE
393,000 mE
394,000 mE
Area Extrapolated to Landform (hatched)
8,052,000 mN
H
SJAC002
8,051,000 mN
SJAC051
SJAC050
SJAC049
200 m confidence level around drillhole
8,050,000 mN
SJAC001
8,049,000 mN
K
K
SJAC054
SJAC053
8,048,000 mN
8,047,000 mN
Queensland Bauxite Limited
Fig 5
Date: 16/06/2014
Author: Robert Coenraads
Office:
Drawing:
South Johnstone Bauxite Project
Extrapolated Areas
Areas H & K
Scale: 1:25000
Projection: MGA Zone 55 (GDA 94)
0
250
500
1,000
metres


385,000 mE
386,000 mE
387,000 mE
388,000 mE
389,000 mE
8,052,000 mN
8,051,000 mN
8,050,000 mN
8,049,000 mN
8,048,000 mN
8,047,000 mN
8,046,000 mN
SJAC020
Area Extrapolated
to Landform
(hatched)
I
SJAC052
SJAC004
SJAC019
J
J
200 m confidence
level around drillhole
SJAC059
SJAC018
SJAC015
SJAC016
SJAC055
SJAC056
SJAC057
SJAC017
Queensland Bauxite Limited
Fig 6
Date: 16/06/2014
Author: Robert Coenraads
Office:
Drawing:
Scale: 1:25000
South Johnstone
Bauxite Project
Extrapolated Areas
Areas I & J
Projection: MGA Zone 55 (GDA 94)
0
250
500
1,000
metres

Queensland Bauxite Limited

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Air core drilling of vertical holes to an average depth of 7.5 m was carried out to recover 0.5 m sample lengths downhole (holes SJAC 001 to 015) and 1 m sample lengths (holes SJAC 016 to 060). Holes were plugged at a depth of 1m (by octoplug) and backfilled. Pulverized material from air core, was collected by cyclone, dry (damp), in a calico bag. The entire drilled sample was collected to assure an appropriate sample size. Each bagged sample weighed approx. 3 kg. All samples analysed by hand held XRF analyser (Innov-X) in the field (calibrated to a bauxite standard of known composition) to provide semi-quantitative element oxides, with a selection of samples sent for assay by ALS Minerals (Table 2). In the ALS laboratory. samples were riffle split and 1000g pulverized to 85% < 75 micron then analysed for available alumina (according to process Al-LICP01) and reactive silica (Si-LIP01) using an ICP-AES instrument (Leach conditions – 1g leached in 10ml of 90gpl NaOH at 143 degrees for 30 minutes).
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Air core drilling carried out to industry standard using an Underdale Proline aircore drill rig
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample*	• Samples collected in calico bags labelled with hole number and depth interval, and duplicate label on an aluminium tag included in bag. Representative samples collected in chip trays labelled by hole

Criteria	JORC Code explanation	Commentary
	recovery and ensure representative nature of the samples. • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	number and interval. • The entire sample interval was collected and no loss of fines was noted
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Samples described geologically on site, analysed with hand-held XRF and photographed. Separation between potential bauxite (red/yellow) and weathered basalt (grey/black) was possible at this stage. Samples with high alumina and low silica as recorded on the XRF were selected for analysis. All 60 holes were logged as described providing semi-quantitative percent total elemental oxide results for Al2O3, SiO2, Fe2O3 and TiO2, over a total of 460 m.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Bagged samples were not subsampled. • Samples were prepared by ALS to industry standards according to the techniques described above in sampling techniques • Material soft and friable, grain size fine.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters*	• Samples were analysed by ALS Minerals according to their industry standards. Results for Avail-alumina and Rx-silica presented to 0.01% accuracy. • A QC certificate (BR14078034) was issued by ALS containing 2 standards, 2 blanks and 2 duplicate samples showing acceptable levels of accuracy (i.e. lack of

Criteria	JORC Code explanation	Commentary
	used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	bias) and precision have been established
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Sampling was carried out by independent laboratory ALS • Twinned sampling was carried out (SJAC 002 and 003) as detailed below and preliminary experiments carried out to test continuity at a distance between holes of 100m and 200m as described below. • Results stored by ALS Minerals and in two places in the Company's in-house system • Assay results are presented as reported with no adjustment. • Samples were analysed from a twinned hole (drilled next to one another) SJAC 002 and SJAC 003 and the first 3 m of each analysed (over intervals of 0.5 m; i.e. 6 samples from each hole). Available alumina varied by less than 2.6% of the mean result of a particular interval and reactive silica varied by less than 1.7% from the mean.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars were located using hand-held GPS (accuracy 5 m) • Coordinates recorded in GDA94 • Topographic control to ± 10mprovided by 1:100,000 topographic sheets; Atherton 7963, Bartle Frere 8063, Ravenshoe 7962 and Tully 8062; contour elevation interval 20m.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore*	• EPM18463 was drilled at a spacing varying between 100m and 5km within the target geological unit (Atherton Basalt Terrain), and at a spacing of 100m to 1.5km surrounding and within the areas defined as containing bauxite resource. The deposit is a surficial deposit formed on flat-lying to gently

Criteria	JORC Code explanation	Commentary
	Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	undulating topography giving reasonable confidence to interpolate geology and grade across these distances – suitable for estimation of inferred resources only. • Samples were analysed from a pair of holes (spaced 110m apart) SJAC 023 and SJAC 036 and the first 2 m of each hole analysed (over intervals of 1 m i.e. 2 samples from each hole). Available alumina varied by less than 3.1% of the mean result of a particular interval and reactive silica varied by less than 2.2% from the mean. • Further, samples were analysed from SJAC 048 drilled at a distance of 200m from the twinned holes SJAC 002 and SJAC 003 and the first 2 m of the holes compared (over intervals of 1 m i.e. 2 samples from each hole). Available alumina varied by less than 5.9% of the mean result of a particular interval and reactive silica varied by less than 2.1% from the mean. • No sample composting has been applied
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The deposit is considered as a planar horizontal sheet of approximately 1 to 3 m thick located at surface (surficial weathered deposit developed on flow basalts of the Atherton Province. • Shallow vertical drilling was carried out along the network of roads crossing the deposit sampling the mineralisation at right angles (i.e. yielding a true thickness.
Sample security	• *The measures taken to ensure sample security.*	• Samples were shipped to the company's storage facility (locked and alarmed) in Inverell, NSW, and there stored on pallets prior to shipment by TNT road transport to ALS minerals in Brisbane.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Samples were shipped to the company's storage facility (locked and alarmed) in Inverell, NSW, and there stored on pallets prior to shipment by TNT road transport to ALS minerals in Brisbane.

Queensland Bauxite Limited

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Exploration Permit EPM 18463 is 100% held by Queensland Bauxite Limited • The tenement is secure at the present time
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration in the area was carried out by Carpentaria Exploration Company in the 1960s. Znebejanek (1961) reported results for total (acid soluble) alumina rather than for alkali leach and results for silica were not reported.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Bauxite mineralisation occurs at surface in a weathering profile that is known from the drilling to extend from 0m to a depth of about 3m. It is found as a continuous blanket overlying flat-lying basalt flows of the Atherton Province within EPM18463. The deposit formed by weathering of the basalt surfaces with resultant leaching of silica downwards and concentration of alumina towards the surface of the profile. It is not clear how much of the material is in-situ or if some transportation has been involved, However in at least a third of the holes, a gradual decline in alumina and increase in silica with depth is noted in the first few metres indicating an in-situ profile.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in*
		• Collar coordinates, RL, dip and azimuth for the 60 holes drilled are presented in Table 2.
		• Analytical data for the 22 holes analysed are presented in Table 3
		• No material data have been excluded

Criteria	JORC Code explanation	Commentary
	metres) of the drill hole collar ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The average grade calculation was based on 76 samples drilled and analysed giving 25.2% Avbl Al2O3 and 6.9% Rx SiO2. In order to calculate this average grade for the material drilled, a bauxite cut-off grade was used. Samples with less than 20% available Al2O3 or greater than 10% reactive SiO2 were not included in the average. This cut-off grade was chosen to produce an average sitting just below the lower end of (and, following beneficiation, expected to rise into) the alumina grade range of bauxite mined on a commercial scale in the Darling Range and accounting for 23% of global alumina production (around 27-30% Al2O3) reference Geoscience Australia http://www.ga.gov.au/products-services/publications/aimr/bauxite.html) • Analytical results reported in Table 3
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Bauxite mineralisation occurs as part of a surface weathering layer can be modelled as a thin horizontal tabular body. • Vertical drill holes perforated this horizontal body at right angles, and therefore all down hole mineralisation intercept lengths are true thicknesses.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts*	• See report body

Criteria	JORC Code explanation	Commentary
	should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All exploration data (ALS analytical results and their location and depth range, etc.) are presented in the report – grade averages, number of samples used, and maximum variation from the mean are presented and explained.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Other exploration results; geologic logging of recovered samples, chip tray photographs and semi-quantitative hand-held XRF results are not included here as they are not material to the calculations presented
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• A shallow auger drilling program on an initial grid of 400 sq. m within the 250 sq. km Atherton Basalt target area is proposed (1600 points) to define the mineralisation within this area. • At present the entire area of the Atherton basalt remains prospective with about one third of the holes expected to test positive (based on the current program)

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Samples labelled in duplicate (aluminium tag in calico bag and permanent marker on bag). Samples bagged by hole and shipped to ALS on shrink wrapped pallet. Samples processed to industry samples and results returned on signed certificate plus QC analysis. Data also returned by ALS as editable .csv file to eliminate keying & transcription errors.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The competent person visited the project area 3 times: A preliminary tenement familiarization field trip; a second visit to GPS locate historic CEC holes, to plan holes adjacent to CEC holes that encountered bauxite according to Znebejanek (1961), and to organize landholder approval for drilling to take place in these areas; and a third visit, post drilling, to discuss findings with Queensland Bauxite's project geologist.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Confidence in the geological interpretation of the mineral deposit is reasonable because of its simple geometry - a flat-lying visible weathering horizon at surface. Drilling to date indicates there is no overburden. • Principal assumption is that the geology and mineralisation is continuous between boreholes containing bauxite in un-dissected terrain at the same general elevation. • Geology/geomorphology is vital in guiding the mineral resource estimation. Topographically high features, interpreted to be part of the original flat lava surface, such as plateaus, ridge tops etc., were drilled. On any such feature, where bauxite was recovered in between 1 and 5 holes and where surface landform features appear consistent (smooth, flat), the interpretation of the edge of bauxite mineralisation is carried out to the edge (break in slope) of the topographic

Criteria	JORC Code explanation	Commentary
		feature, a distance varying between 100 metres and 1.5 km. • Comparisons between thickness and grade have been made in drill holes 1m, 100m and 200m apart with available alumina grades varying up to 17% and reactive silica up to 22% about the average. • Continuity of the mineral deposit is not assumed where the terrain has been dissected by younger drainages. In this case it is assumed that the bauxite has been eroded away, although this needs to be tested by drilling as there may be deposits of transported bauxite mineralisation in these areas
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The deposit is flat-lying with air core penetration up to 10m (limited by the number of extension rods carried on the rig) bauxite was encountered in the upper 3 metres of 22 of the 60 holes drilled (i.e. in 37% of the holes drilled)
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	• For this preliminary estimation exercise, it was considered appropriate to assume continuity of the mineralisation (on any particular remnant plateau or ridge top landform) to the edge of that topographic feature. Eleven areas (A to J) were identified as outlined on figures 3 to 6. Grade values below cut off (<20% av Al2O3 & >10% rx SiO2) rejected. Max distance of extrapolation between holes and to domain edges was 1500m. The domain edges were interpreted from geology with no computer assist.
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• Previous estimate of a mineral deposit of 43 mt was made by CEC, with 2 of their holes (H14 and H13) twinned by Queensland Bauxite (SJAC 001, 002 and 048). The fact that data exist for only a few CEC holes, with only total alumina reported with no silica analyses, render these results unsuitable for inclusion in this analysis. They can act as a guide however, with Queensland Bauxite now anticipating finding bauxite in the vicinity of CEC holes H9, 10, 11 and 12 when exploration commences in that area. No

Criteria	JORC Code explanation	Commentary
		further check estimates were available.
	• *The assumptions made regarding recovery of by-products.*	• No assumptions were made regarding recovery of by products
	• *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).*	• Surface mining of bauxite resource is not expected to produce any deleterious elements.
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	• Volume calculation for each block was made using the surface area of bauxite mineralisation (as indicated by the drilling and topographic constraints, Figures 3 to 6) multiplied by bauxite thickness of each block (averaged from drilling in each, Figure 2).
	• *Any assumptions behind modelling of selective mining units.*	• Selective units were not modelled
	• *Any assumptions about correlation between variables.*	• Assumptions were made about mineralisation and grade continuity between holes and into the extrapolated areas of up to 1,500m (Figs 3 to 6)
	• *Description of how the geological interpretation was used to control the resource estimates.*	• The edges of the resource area were controlled by the geologic model (landform model)
	• *Discussion of basis for using or not using grade cutting or capping.*	• A cut-off grade was used to create an economic average grade. Simple averages of drill data (above cut-off of <20% avail Al2O3 & >10% reactive SiO2) were used as parameters in the model
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Calculations were checked manually.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Bauxite tonnage was calculated from volume using 1.8 dry tonnes per cubic metre in situ based on conservative estimates for high iron bauxite provided by independent geologist Morgan (2011) and comparable with figures used by other company reports.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A bauxite cut-off grade was used. Samples with under 20% available Al2O3 or more than 10% reactive SiO2 were not included. The average grade

Criteria	JORC Code explanation	Commentary
		calculation was based on 51 samples (a total true thickness of 40.5m bauxite drilled). This cut-off grade allows an average of 25.2% which is expected (post-beneficiation) to lie within the alumina grade range of bauxite mined on a commercial scale in the Darling Range (i.e. around 27-30% Al2O3) and accounting for 23% of global alumina production - reference Geoscience Australia http://www.ga.gov.au/products-services/publications/aimr/bauxite.html)
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• It is assumed that mining at South Johnstone will be via simple open cut quarrying operations – top soil stripping ahead of a progressing mining face with progressive rehabilitation and return to agricultural use behind. Ore will be trucked to nearby rail heads and transported by rail the short distance to Mourilyan Harbour as a direct shipping ore (DSO) product.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Available alumina and reactive silica results obtained from ALS's low temperature alkali leach techniques simulate conditions found in a bauxite refinery. • No other metallurgical treatment studies, such as beneficiation studies and high temperature leach trials, have been conducted on the bauxite at this stage, although an improvement in grade is expected based on trials conducted by other companies
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental*	• No environmental studies have been conducted at present. The land is currently being used for large and small acreage agricultural activities (principally sugar cane and bananas) • It is being assumed that a mining licence would be granted by

Criteria	JORC Code explanation	Commentary
	impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	government for an open cut extraction operation • It is being assumed that no unforeseen environmental difficulties, landholder, native title, or other issues would impact on the mining and processing operation.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• A conservative dry bulk density figure of 1.8 for iron-rich bauxite has been assumed to carry out the above resource modelling. • No bulk density studies of the bauxite have been carried out at present. • As no density work has been carried out, the value chosen could be reasonably varied between 1.6 and 1.9 for the generation of minimum and maximum case models
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Because of the preliminary nature of the exploration (60 holes drilled into a sound geological model with encouraging results in one third of those holes) plus only a preliminary understanding of the Modifying Factors of the Mineral Resource that will come into play in planning for a simple open pit quarrying and DSO operation (mining, metallurgical, infrastructure, economic, marketing, legal, environment, social and government), the Mineral Resource must be classified into the lowest category of JORC Inferred at this early stage. • This is the competent person's opinion of the deposit based on work to date.
Audits or reviews	• *The results of any audits or reviews*	• No audits or reviews of the Mineral

Criteria	JORC Code explanation	Commentary
	of Mineral Resource estimates.	Resource estimate has been carried out
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	Only limited geostatistical procedures have been carried out to quantify the relative accuracy of the Resource estimate of 30 m tonnes at this preliminary stage. Following are a list of the factors that could affect the relative accuracy and confidence of the estimate; • 1. The estimate of thickness: this varies between 0.5m and 3m in holes drilled in different areas with a mean of 1.8. Varying from the mean by 0.5m each way in the model causes the resource estimate to vary between 21.6mt and 38.2mt. • The estimate of bauxite dry bulk density could vary between 1.6 and 1.9. Using these values in the model causes the resource estimate to vary between 27mt and 32mt • The estimate of area is based on geology and landform which involves extrapolation, in two cases, of up to 1,500m between boreholes. There is uncertainty here in the assumption that the mineralisation of appropriate grade is indeed continuous between boreholes and to the edges of the landform feature. If this confidence of continuity is restricted to a radius of 200m around each borehole or group of boreholes with that radius, the area reduces to 2.3 km2 the resource calculation is reduced to 7.5mt. • The resource estimate of 30mt is comparable to the estimate of 43mt made by CEC (Znebejanek, 1961) based on their drilling, although no calculations were presented in their report and the acid-soluble alumina analyses were non-compliant for use in estimation of a bauxite resource.

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Queensland Bauxite Limited

Exploration results

The Company provides further details to the Exploration Results announced on Thursday 12th June 2014, in accordance with ASX Listing Rules 5.7.1 and 5.7.2. and clause 19 of the JORC Code 2012.

- Collar coordinates, RL, dip and azimuth for the 60 holes drilled are presented in Table 2 (below).
- Analytical data for the 22 holes analysed are presented in Table 3 (below).
- Hand held XRF results are presented in Figure 2.
- No material data have been excluded

DATE	HOLE_ID	GDA94 mE	GDA94 mN	Prospect	Dip	From (m)	End of Hole (m)	Sampled from	Sampled to	# Samples
6/10/2011	SJAC001	390023	8049170	EPM18463	90°	0	10	0	3	3
6/10/2011	SJAC002	390849	8051301	EPM18463	90°	0	3.7	0	3	3
6/10/2011	SJAC003	390849	8051301	EPM18463	90°	0	10	0	5	5
7/10/2011	SJAC004	385397	8050088	EPM18463	90°	0	10	0	4	4
7/10/2011	SJAC005	392399	8056117	EPM18463	90°	0	10	0	3	3
7/10/2011	SJAC006	393153	8057781	EPM18463	90°	0	10	0	3	3
8/10/2011	SJAC007	388584	8057721	EPM18463	90°	0	10	0	3	3
8/10/2011	SJAC008	387545	8057565	EPM18463	90°	0	10	0	3	3
8/10/2011	SJAC009	382253	8058734	EPM18463	90°	0	10	0	3	3
8/10/2011	SJAC010	380830	8059227	EPM18463	90°	0	4.7	0	3	3
8/10/2011	SJAC011	380718	8059509	EPM18463	90°	0	10	0	3	3
8/10/2011	SJAC012	377912	8054739	EPM18463	90°	0	10	0	5	5
8/10/2011	SJAC013	389944	8066115	EPM18463	90°	0	10	0	3	3
8/10/2011	SJAC014	393438	8069764	EPM18463	90°	0	10	0	3	3
6/10/2011	SJAC015	388408	8049019	EPM18463	90°	0	10	0	5	5
9/10/2011	SJAC016	387458	8048895	EPM18463	90°	0	10	0	3	3
9/10/2011	SJAC017	385419	8047470	EPM18463	90°	0	10	0	3	3
9/10/2011	SJAC018	384889	8048942	EPM18463	90°	0	10	0	3	3
9/10/2011	SJAC019	386840	8049665	EPM18463	90°	0	10	0	3	3
9/10/2011	SJAC020	387195	8051925	EPM18463	90°	0	10	0	3	3
9/10/2011	SJAC021	391610	8053861	EPM18463	90°	0	10	0	3	3
9/10/2011	SJAC022	391083	8054352	EPM18463	90°	0	10	0	3	3
9/10/2011	SJAC023	392226	8056683	EPM18463	90°	0	10	0	3	3
10/10/2011	SJAC024	390500	8053800	EPM18463	90°	0	10	0	3	3
10/10/2011	SJAC025	390100	8054900	EPM18463	90°	0	6	0	3	3
10/10/2011	SJAC026	390110	8056200	EPM18463	90°	0	6	0	3	3
10/10/2011	SJAC027	3857200	8057200	EPM18463	90°	0	10	0	3	3
13/10/2011	SJAC028	378202	8059729	EPM18463	90°	0	6	0	3	3
13/10/2011	SJAC029	380221	8059342	EPM18463	90°	0	6	0	3	3
13/10/2011	SJAC030	380791	8060443	EPM18463	90°	0	6	0	3	3
13/10/2011	SJAC031	380716	8059657	EPM18463	90°	0	6	0	3	3
14/10/2011	SJAC032	386809	8058775	EPM18463	90°	0	6	0	3	3
14/10/2011	SJAC033	387210	8058840	EPM18463	90°	0	4	0	3	3
14/10/2011	SJAC034	387264	8057949	EPM18463	90°	0	6	0	3	3
14/10/2011	SJAC035	391624	8056258	EPM18463	90°	0	6	0	3	3
14/10/2011	SJAC036	392335	8056666	EPM18463	90°	0	6	0	3	3
14/10/2011	SJAC037	392911	8056688	EPM18463	90°	0	6	0	3	3
14/10/2011	SJAC038	393133	8057119	EPM18463	90°	0	6	0	3	3
14/10/2011	SJAC039	392213	8057854	EPM18463	90°	0	6	0	3	3
14/10/2011	SJAC040	393040	8059036	EPM18463	90°	0	6	0	3	3
14/10/2011	SJAC041	391884	8058980	EPM18463	90°	0	6	0	3	3
14/10/2011	SJAC042	390804	8058922	EPM18463	90°	0	6	0	3	3
16/10/2011	SJAC043	390878	8054011	EPM18463	90°	0	6	0	3	3
16/10/2011	SJAC044	392288	8056007	EPM18463	90°	0	6	0	3	3
16/10/2011	SJAC045	392304	8055711	EPM18463	90°	0	6	0	3	3
16/10/2011	SJAC046	392287	8055466	EPM18463	90°	0	6	0	3	3
16/10/2011	SJAC047	392224	8054939	EPM18463	90°	0	6	0	3	3
16/10/2011	SJAC048	390661	8051283	EPM18463	90°	0	6	0	3	3
16/10/2011	SJAC049	390324	8050470	EPM18463	90°	0	6	0	3	3
16/10/2011	SJAC050	389841	8050523	EPM18463	90°	0	6	0	3	3
16/10/2011	SJAC051	389474	8050584	EPM18463	90°	0	6	0	3	3
16/10/2011	SJAC052	388713	8050515	EPM18463	90°	0	6	0	3	3
17/10/2011	SJAC053	390037	8048263	EPM18463	90°	0	6	0	3	3
17/10/2011	SJAC054	390446	8048543	EPM18463	90°	0	6	0	3	3
17/10/2011	SJAC055	389064	8048690	EPM18463	90°	0	6	0	3	3
17/10/2011	SJAC056	387539	8048508	EPM18463	90°	0	6	0	3	3
17/10/2011	SJAC057	386862	8047816	EPM18463	90°	0	6	0	3	3
17/10/2011	SJAC058	385593	8047473	EPM18463	90°	0	6	0	3	3
17/10/2011	SJAC059	385534	8049107	EPM18463	90°	0	6	0	3	3
17/10/2011	SJAC061	390657	8051278	EPM18463	90°	0	20	0	3	3

TABLE 2 Drill Hole Collar Details

BR14078034 - Finalized			
CLIENT : "QUEBAU - Queensland Bauxite Ltd"			
# of SAMPLES : 76			
DATE RECEIVED : 2014-05-26 DATE FINALIZED : 2014-06-06			
PROJECT : "South Johnstone"			
CERTIFICATE COMMENTS : ""			
PO NUMBER : "Email"			
	WEI-21	Al-LICP01	Si-LICP01
SAMPLE	Recvd Wt.	Al2O3avl	Rx SiO2
DESCRIPTION	kg	%	%
SJAC 002 0.0 - 0.5	2.6	27.7	3.9
SJAC 002 0.5 - 1.0	2.31	24.5	6.8
SJAC 002 1.0 - 1.5	2.5	22.4	9
SJAC 002 1.5 - 2.0	2.45	22.3	9.9
SJAC 002 2.0 - 2.5	2.57	22.9	9.9
SJAC 002 2.5 - 3.0	2.64	22.8	9.3
SJAC 003 0.0 - 0.5	2.59	32.7	3.9
SJAC 003 0.5 - 1.0	2.41	29.7	4.7
SJAC 003 1.0 - 1.5	2.53	25.8	6.3
SJAC 003 1.5 - 2.0	2.08	24.4	6.6
SJAC 003 2.0 - 2.5	2.74	24.8	7.6
SJAC 003 2.5 - 3.0	0.89	20.3	11.5
SJAC 003 3.0 - 3.5	Not Recvd		
SJAC 003 3.5 - 4.0	1.43	11.7	17.7
SJAC 003 4.0 - 4.5	2.63	7.8	20.2
SJAC 003 4.5 - 5.0	2.57	5.4	22.4
SJAC 004 0.0 - 0.5	2.37	30.1	4
SJAC 004 0.5 - 1.0	2.39	27.6	4.4
SJAC 004 1.0 - 1.5	2.4	24.3	6.1
SJAC 004 1.5 - 2.0	2.66	21.8	8.5
SJAC 004 2.0 - 2.5	2.32	18.6	11.4
SJAC 004 2.5 - 3.0	2.8	15.9	13.8
SJAC 005 0.0 - 0.5	2.16	28.5	7.4
SJAC 005 0.5 - 1.0	2.49	27.1	9
SJAC 005 1.0 - 1.5	2.48	21	12.8
SJAC 005 1.5 - 2.0	2.42	14.1	17.5
SJAC 005 2.0 - 2.5	2.61	9	22.7
SJAC 005 2.5 - 3.0	2.63	13.5	20.3
SJAC 006 1.0 - 1.5	2.45	21	5.3
SJAC 006 1.5 - 2.0	2.38	21	5.3
SJAC 006 2.0 - 2.5	2.66	19.4	6.3
SJAC 006 2.5 - 3.0	2.37	20	8.6
SJAC 008 0.0 - 0.5	2.33	19.9	11.9
SJAC 008 0.5 - 1.0	2.63	19.1	13
SJAC 008 1.0 - 1.5	2.45	14.9	16.6
SJAC 012 0.0 - 0.5	Not Recvd		
SJAC 012 0.5 - 1.0	Not Recvd		
SJAC 013 0.0 - 0.5	1.84	19.9	8.2
SJAC 014 0.5 - 1.0	1.97	25.3	4.2
SJAC 019 0.0 - 1.0	1.89	20.8	8.1
SJAC 019 1.0 - 2.0	2.56	19.3	10.7
SJAC 021 0.0 - 1.0	2.39	21.8	9.9
SJAC 023 0.0 - 1.0	2.37	27.7	5.9
SJAC 023 1.0 - 2.0	2.39	30.8	4.9
SJAC 023 2.0 - 3.0	2.52	26.6	7.7
SJAC 024 0.0 - 1.0	2.47	17.5	14.8
SJAC 024 2.0 - 3.0	2.66	17.7	15
SJAC 026 0.0 - 1.0	2.44	21.8	9.5
SJAC 027 0.0 - 1.0	2.63	19	6.9
SJAC 027 1.0 - 2.0	2.62	26.6	4.5
SJAC 027 2.0 - 3.0	2.62	22.7	6.1
SJAC 034 0.0 - 1.0	0.84	20	11.9
SJAC 034 1.0 - 2.0	2.54	18.3	13.9
SJAC 035 0.0 - 1.0	2.44	27.7	6.7
SJAC 036 0.0 - 1.0	1.24	26	7.6
SJAC 036 1.0 - 2.0	2.43	24.7	9.2
SJAC 037 0.0 - 1.0	1.81	21.7	8.5
SJAC 041 0.0 - 1.0	1.94	27.2	7
SJAC 041 1.0 - 2.0	1.88	30.8	5.5
SJAC 042 0.0 - 1.0	1.22	26.5	6.9
SJAC 042 1.0 - 2.0	1.63	28.7	7.1
SJAC 042 2.0 - 3.0	1.36	19.7	13.6
SJAC 043 0.0 - 1.0	1.74	26	8.1
SJAC 043 1.0 - 2.0	2.54	26.8	8.5
SJAC 045 0.0 - 1.0	2.54	25.3	6.5
SJAC 045 1.0 - 2.0	2.67	27.3	6.2
SJAC 047 0.0 - 1.0	1.79	24.9	9
SJAC 047 1.0 - 2.0	2.11	26.1	8.7
SJAC 048 0.0 - 1.0	2.2	16.9	9
SJAC 048 1.0 - 2.0	2.43	20.5	7.8
SJAC 052 0.0 - 1.0	1.71	29.4	2.9
SJAC 052 1.0 - 2.0	1.85	31.7	1.8
SJAC 052 2.0 - 3.0	2.13	29.4	1.9
SJAC 054 2.0 - 3.0	2.59	20	9.3
SJAC 004 3.0 - 3.5 Extra	2.39	15.7	14.8
SJAC 004 3.5 - 4.0 Extra	2.77	13.5	16.7

TABLE 3. ALS analytical results

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Queensland Bauxite Limited

Production Target Clarification

A production target of approximately 5 mt/pa was announced in QBL's ASX announcement released on Thursday 12 June 2014. In addition there were statements with regards to potential financial revenues of bauxite projects in general and how they may possibly compare to the South Johnstone Bauxite Project based on the information we have to date.

Although we were careful not to imply any certainty regarding the financial projections or profitability of this specific project, and in fact in the context of the announcement we believe that it is clear that this is the hope of the company to achieve in due course, as the form of a mission statement and not in the form of actual forecast projections, in accordance with ASX guidance we wish to make the following clarifications and retractions both in regards to the production target itself and in regards to any and all forecast financial information in the announcement which was based on the production target and any statements that may be potentially seen as implying current certain economic viability of the project at this stage or any other financial implications from those or associated statements made by the company.

We have further been advised by the ASX that ASX considers that it is only in exceptional circumstances that an entity might form the view that it has reasonable grounds for a production target, or a financial forecast derived from a production target, when that production target or forecast financial information is based solely on inferred mineral resources; and although the announcement of 12 June 2014 presented the company's production goal and what it hoped to be able to prove and achieve with further exploration and development, there is not yet sufficient certainty of the resource to the standard required by the Corporations Act to give any certain forward looking forecast financial projections.

As a result, we also caution investors against using any financial statements from that announcement to imply the current economic viability of the project as a basis for investment decisions unless and until such additional information can be disclosed in due course in accordance with the ASX listing rules and the Corporations Act 2001.

In addition, the ASX has advised the Company that where a production target is based solely on inferred mineral resources, it is necessary to complete and release on the market announcements platform an independent technical report that supports the production target. The Company is yet to produce that independent report.

As a result of all the above, the Company unreservedly retracts the production target and any potential associated bauxite project financial revenue statements that may be implied in that announcement and we advise that investors should seek the advice of professional investment advisors before buying or selling any shares in the company.